

This letter concerns the application of Tire User Fees to reprocessed tires. See 415 ILCS 5/55.8(e). (This is a GIL).

August 17, 2004

Dear Xxxxx:

This letter is in response to your letter dated February 26, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I am writing with a question concerning the Tire User Fee. Please clarify when the fee is imposed under the following two situations:

1. I sell a reprocessed tire, which is a tire that has been recapped, retreaded, or regrooved and, which is not placed on a vehicle wheel rim. Is the Tire User Fee applicable?
2. I sell a reprocessed tire, which is a tire that has been recapped, retreaded or regrooved tire, which is mounted on a vehicle rim. Is the Tire User Fee applicable?

Your assistance in this matter is greatly appreciated.

DEPARTMENT'S RESPONSE

For general information purposes please refer to the Environmental Protection Act, 415 ILCS 5 et seq.

Pursuant to 415 ILCS 5/55.8 any person selling new or used tires at retail or offering new or used tires for retail sale in this State shall: (1) collect from retail customers a fee of \$2 per new and used tire sold and delivered in this State to be paid to the Department of Revenue and deposited into

the Used Tire Management Fund, less a collection allowance of 10 cents per tire to be retained by the retail seller and a collection allowance of 10 cents per tire to be retained by the Department of Revenue and paid into the General Revenue Fund. After July 1, 2003 the retailer is required to collect an additional 50 cents per new or used tire sold and delivered in this State. See 415 ILCS 5/55.8(a)(1.5).

However, the requirements described above do not apply to the sale of reprocessed tires. For purposes of Section 5/55.8 of the Environmental Protection Act, "reprocessed tire" means a used tire that has been recapped, retreaded, or regrooved and that has not been placed on a vehicle wheel rim. See 415 ILCS 5/55.8(e).

Additional information regarding updates on the Tire User Fee may be found in the current bulletins posted on the Department's website.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

EEB:msk